

**SUBCOMMITTEE ON CONSOLIDATION  
GOVERNOR'S COUNCIL ON SCHOOL FUNDING  
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**John McNeil, MASS  
Dave Puyear, MREA  
Jeff Hindoien, Governor's Office  
Rachel Vielleux, MACSS, Chair  
Bob Vogel, MSBA**

**(d) determining if the current budget computations are prohibiting or discouraging local decisions to consolidate school districts;**

The Task Force considered the following **incentives** for consolidation:

- Continue "bonus" over a longer period of time. (NOTE: Rep. Wolery's HB488 extends the three year basic entitlement in a declining amount over an additional three years.)
- Help small, rural communities develop a non-profit corporation to maintain the school for community purposes after the school closes perhaps by using money in the nonoperating fund of the district for seed money.
- Remove the moratorium on creation of new school districts small high schools in K-12 districts could consolidate while leaving the remaining elementary district intact. To insure this is not a vehicle for creating additional districts to get additional basic entitlement, this would apply to very narrow sets of circumstances. For example, Outlook K-12 would like to consolidate their high school with Scobey which is K-12 but leave their elementary school intact. Under current statutes, this is not possible.

The Task Force considered the following **negative** ways to effect consolidation. We recognize that these forced methods do not take into account effect on students and the quality of their education.

- Raise isolation requirements from 10 students in elementary to 15; from 25 students in high school to 50.
- Cut middle school funding to elementary schools that have fewer than 20 middle school students.
- Equalizing tax effort among all school districts *may* result in school closure in those districts that are very low in student population and are "tax havens" for the taxpayers.

**Other**

- The Task Force reviewed two articles on county-wide consolidation, one from Missoula County done in 1994 and one from Ravalli County in 1998. While the methodology varied slightly between the two studies the conclusions drawn were basically the same: Personnel at the schools with lower pay schedules would benefit by the increase in pay to the highest level. This increase would far overbalance the cost reduction from decreasing numbers of administrative personnel. If budget totals were frozen, the net result would be a loss in money for students. While costs to the state would decrease significantly because of the reduced amount of basic entitlement, those costs would simply be shifted to the local taxpayers.
- If the Council were to consider forced school closures, the Task Force would recommend using a methodology which utilizes a variety of weighted factors such as isolation, transportation costs, other cost savings/increases. This would be similar to the design for determining military base closures and would probably be just as effective politically.

- The Task Force notes that school closure and consolidation in the past have resulted in unexpected consequences, one of which is a decrease in local property tax values.

**(l) analyzing the school district structure that currently exists and determining if reducing the number of districts could provide efficiency in the operations of the districts and make existing resources available for classroom activities;**

- Return to statute provisions for creating a new high school district. Optimum high school size has been variously reported as 600 to 800 students. This would allow large independent elementary districts to create an efficient, effective school to serve their students.
- Review accreditation standards in the area of distance learning and revise them so that small schools can provide course offerings on-line with a single facilitator on-site who is not necessarily endorsed in all subjects. (NOTE: Sen. Grimes' SB 231 addressed this issue.)
- Currently, school districts form consortia in a variety of ways. The school directory lists many curriculum consortia and many special education cooperatives. School districts have also developed a number of less formal consortia for utilizing various funding sources such as ESEA Title II Eisenhower Professional Development money and Title IV Safe and Drug Free Schools and Communities. Other funding sources are not utilized simply because the districts lack the time and staff to write the grants. As the Montana Small Schools Alliance has shown, a successful grant writer can bring literally millions of additional dollars to state schools. The Task Force believes that an initial investment by the state to fund regional grant writing offices and personnel would similarly increase the funds available to schools as well as ultimately becoming self-sustaining.
- These websites have a variety of information on rural and small schools.

<http://www.ael.org/eric/digests/edorc966.htm>

<http://www.ael.org/eric/index.htm>

[http://www.nwrel.org/nwedu/winter\\_00/index.html](http://www.nwrel.org/nwedu/winter_00/index.html)

<http://www.ruraledu.org>